



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-4000

MAR 22 1999

FORCE MANAGEMENT
POLICY

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY (MILITARY
PERSONNEL MANAGEMENT AND EQUAL OPPORTUNITY
POLICY)
PRINCIPAL DEPUTY ASSISTANT SECRETARY OF THE NAVY
(MANPOWER AND RESERVE AFFAIRS)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (FORCE
MANAGEMENT AND PERSONNEL)

SUBJECT: Application of Pell Grants and Other Financial Assistance in Voluntary Education
Programs

The purpose of this memorandum is to clarify the change to enclosure 2 of DoD Instruction 1322.25, Voluntary Education Programs, (copy attached) which became effective February 3, 1999. The change deletes the following sentence from paragraph E2.1.6 (formerly paragraph F), "Payments from other sources shall be applied first." The deletion of this sentence removes any conflict with paragraph E2.1.7 (formerly paragraph G) which states, "Pell Grants may be used in conjunction with tuition assistance, including their use to pay that portion of tuition costs not covered by tuition assistance."

The DoD Instruction was changed to ensure that servicemembers receive the fullest benefit of any financial assistance that they are granted to assist with paying expenses related to their education while participating in off-duty, voluntary education programs. Specifically, each eligible servicemember should be able to expect that a major portion of his/her tuition and related instructional costs will be paid by his/her Service. Financial assistance in the form of grants, scholarships, loans, etc., may then be used to pay for related expenses not paid by DoD. Such expenses may include the cost of books, supplies, and the portion of tuition not covered by DoD tuition assistance. In the case of Pell Grants, funds may be used as authorized under the terms of the Federal Pell Grant program. Currently, less than half-time students may use these grants to pay for tuition, fees, books, supplies, transportation (as determined by the institution), and dependent care expenses (in accordance with criteria established for the Pell Grant Program). For example, if the sum of allowable DoD tuition assistance plus a Pell Grant exceeds the tuition and related instructional cost, then DoD tuition assistance should be applied first and the Pell Grant should be used for books, supplies, and fees. If Pell Grant funds remain after these expenditures, then those funds may be available for child care and transportation in accordance with terms of the Federal Pell Grant Program.

I request your assistance in ensuring that your Service's policies and practices are in compliance with the above.



Questions regarding this matter may be addressed to Mr. Otto Thomas by telephone ((703) 614-4074) or e-mail (thomaso@pr.osd.mil).

Thank you for continuing to provide servicemembers with educational opportunities of high quality and great benefit.



Gail H. McGinn

Acting Deputy Assistant Secretary of Defense
(Personnel Support, Families, and Education)

Attachment:
As stated

E2. ENCLOSURE 2
TUITION ASSISTANCE FOR SERVICE MEMBERS
PARTICIPATING IN EDUCATION PROGRAMS

E2.1.1. Tuition Assistance shall be available for Service members participating in high school completion and approved postsecondary education programs. (Approved courses are those that are part of an identified course of study leading to a postsecondary certificate or degree.)

E2.1.2. Tuition Assistance shall be applied at the rate of:

E2.1.2.1. One hundred percent of the cost of approved high school completion programs for Service members who have not been awarded a high school or equivalency diploma and who are enrolled in such programs.

E2.1.2.2. Not more than 75 percent of an institution's tuition and related instructional charges for each course in which a Service member enrolls, except that in the case of an enlisted member in the pay grade of E-5 or higher with less than 14 years' service, not more than 90 percent of the charges may be paid. The limitations in this paragraph do not apply to the Program for Afloat College Education.

E2.1.3. In accordance with section 2007(a)(3) of title 10, United States Code (reference (b)), tuition assistance is available to a commissioned officer on active duty only if the officer agrees to remain on active duty for a period of at least 2 years after the completion of the education or training for which tuition assistance was paid.

E2.1.4. In accordance with section 2007(c) of reference (b) tuition assistance is available to an officer in the Selected Reserve of the Army National Guard or the Army Reserve for education leading to a baccalaureate degree only if the officer agrees to remain a member of the Selected Reserve for at least 4 years after completion of the education for which tuition assistance was paid.

E2.1.5. Reimbursement for an unfulfilled tuition assistance obligation is required as stipulated in section 2005 of reference (b). Except in ~~extenuating~~extenuating circumstances, students must complete courses with a passing grade to retain tuition assistance.

E2.1.6. Tuition assistance shall not be authorized for any course for which a Service member receives reimbursement in whole or in part from any other federal source when the payment would constitute a duplication of benefits. ~~Payments from other sources shall be applied first.~~ Veteran's education benefits are not payable for courses paid in whole or in part by the Armed Forces. Institutions have a responsibility to ensure that students do not receive a duplication of benefits.

E2.1.7. Pell Grants may be used in conjunction with tuition assistance, including their use to pay that portion of tuition costs not covered by tuition assistance.